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PAGE-HERSEY TUBES, LIMITED, CROWLAND, ONTARIO

Annual Report PAGE-HERSEY TUBES, LIMITED,

CROWLAND, ONTARIO

BOARD OF DIRECTORS

W. E. Bannerman	Toronto, Ont.
Jas. S. Duncan	Toronto, Ont.
H. J. Fuller	New York, N.Y.
W. G. F. Grant, Q.C.	Toronto, Ont.
A. Macfadyen	Toronto, Ont.
Gordon F. Perry	Toronto, Ont.
R. C. Poskanzer	Albany, N.Y.
D. W. Stewart, Jr.	Renfrew, Ont.
L. V. Sutton, Q.C.	Toronto, Ont.

EXECUTIVE OFFICERS

A. Macfadyen	President and General Manager
D. W. Stewart, Jr.	Vice-President
R. C. Poskanzer	Vice-President
W. E. Bannerman	Vice-President
W. J. Spencer, C.A.	Treasurer and Comptroller
A. C. Mitchell	Secretary
E. M. Haight	Assistant Secretary

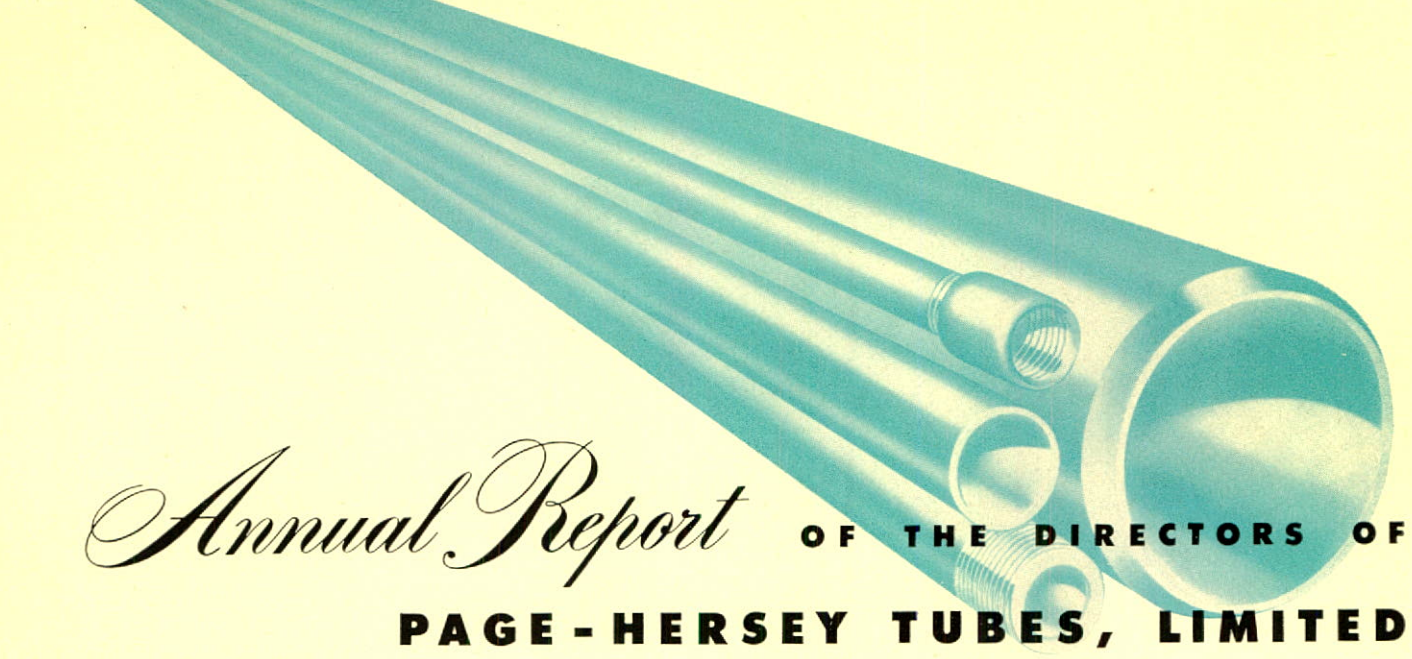
TRANSFER AGENTS

CANADA

National Trust Company, Limited, Toronto, Ont.
The Toronto General Trusts Corporation, Montreal, Que.

UNITED STATES OF AMERICA

The National Commercial Bank and Trust Company, Albany, N.Y.



Annual Report OF THE DIRECTORS OF

PAGE-HERSEY TUBES, LIMITED

April 2, 1952

TO THE SHAREHOLDERS:

Your Directors are pleased to submit your Company's Financial Statements and Auditors' Report for the year ended December 31, 1951.

The net profit for the year, after providing for depreciation and income taxes, amounted to $3,213,478, equal to $4.61 per share. In the previous year net earnings were $2,807,568 or $4.03 per share.

Dividends for 1951 and for 1950 were as follows:

1951—$1,533,629—$2.20 per share
1950— 1,423,251— 2.05 per share

The reserve for depreciation was increased by $1,200,000 and now stands at $8,734,947.

Working Capital amounted to $14,814,696, an increase of $2,480,870, as shown by the statement below:

Net profit for the year	$3,213,478	
Profits on sales of securities formerly carried as a reserve against investments	400,352	
Provision for depreciation	1,200,000	$4,813,830
Additions to plant	$ 799,331	
Dividends paid	1,533,629	2,332,960
		$2,480,870

Current Assets at December 31, 1951, totalled $19,643,904 and Current Liabilities $4,829,208. Comparative ratios are:

1951	1950	1949
4.07 to 1	4.32 to 1	2.68 to 1

Inventory of materials on hand, taken at the lower of cost or market prices, less reserve, shows a decrease of $1,243,849.

Additions to plant and equipment amounted to $799,331. This expenditure applied to the plant generally and covered installation of new, modern machines and material-handling equipment. Included in this figure is the cost of a new physical and chemical testing and a research laboratory.

In view of the major developments which have taken place in the manufacture of Buttweld Pipe by continuous welding, your Directors have adopted the recommendation of the Company's engineers to proceed with the installation of new Forming and Welding Stands, new High Speed Saw and other ancillary equipment of the latest design in this department.

Sales exceeded those of the previous year both in tonnage and dollar value. Prospects for 1952 appear favourable in view of the heavy backlog of orders on your Company's books for large diameter pipe for the oil and gas industry, and the continued demand for tubular products for industrial and housing construction.

The Collective Bargaining Agreement made with the United Electrical, Radio and Machine Workers of America, Local 523, continues in effect. Wages were increased in July and December, 1951.

A pension plan for wage earners, as represented by the Union, was negotiated during the past year and is now in effect. This is a non-contributory plan, the entire cost being borne by the Company.

It is with pleasure we report that the Quarter Century Club continues to increase in numbers; the membership now totals 203, as compared to 188 in the previous year.

With profound regret we record the passing of C. Stanley Webber, in January, 1952. Mr. Webber served the Company for 45 years and was successively General Purchasing Agent, Assistant General Manager and, later, Assistant to the President.

At the last meeting of the Board of Directors, Mr. W. P. Bayley resigned as Vice-President, Treasurer and Director of the Company. Mr. Bayley's contribution to the welfare of the Company over a long period of years has been of an outstanding character, and the Board extends to him its best wishes for good health in his retirement.

The Board of Directors has elected Mr. W. E. Bannerman, a Vice-President of the Company, to fill the vacancy created by the resignation of Mr. Bayley as a Director of the Company.

Mr. W. J. Spencer, Comptroller of the Company, has been appointed to the office of Treasurer.

It is with a feeling of pride that the Directors of your Company remind our shareholders that 1952 marks the Fiftieth Anniversary of the founding of the Company.

As we approach the end of a half century of progress, your Directors wish to record their sincere appreciation of the efficient and faithful service rendered by all in "Page-Hersey".

A. MACFADYEN
President

Balance Sheet AS AT DECE

PAGE - HERSEY

ASSETS

FIXED

Real Estate, Buildings, Plant, Machinery and Equipment, at cost	$16,186,911.99	
Investment in Stock of Subsidiary Company	50,000.00	
		16,236,911.99

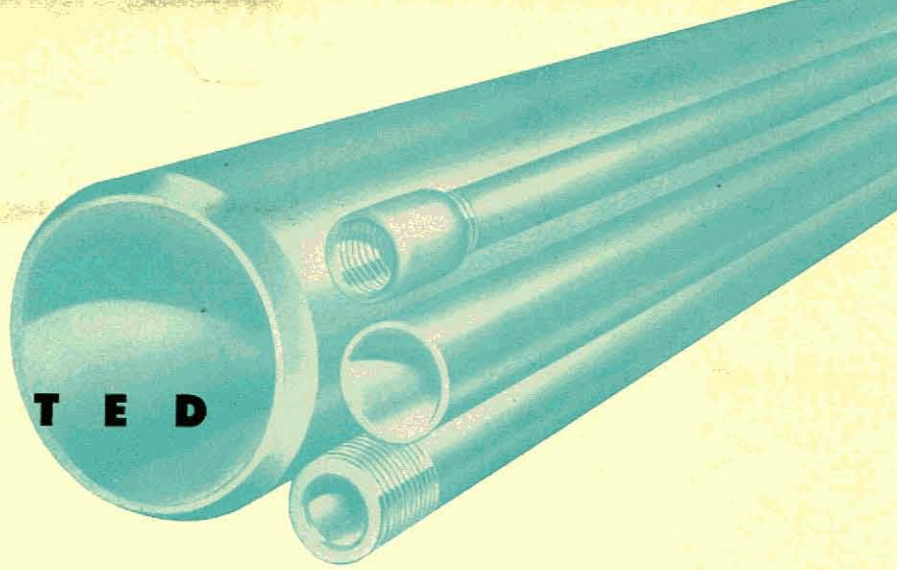
CURRENT

Cash on hand and in Banks	$ 4,301,898.22	
Accounts and Bills Receivable—less Reserves	4,087,226.34	
Due from Employees—fully secured by Canada Savings Bonds—Series 6	188,829.70	
Investment in Government Bonds and other Marketable Securities (Market Value $5,206,269.91)	5,107,537.91	
Inventories—Valued at the lower of cost or market —less Reserve	5,958,412.12	
		19,643,904.29

$35,880,816.28

BER 31, 1951

TUBES, LIMITED



LIABILITIES

CAPITAL AND SURPLUS

Capital Stock:		
Authorized—1,000,000 shares of no par value		
Issued and Outstanding—697,104 shares	$ 6,249,670.68	
Earned Surplus	9,566,990.44	
		$15,816,661.12

RESERVES

Depreciation of Buildings, Plant, Machinery and Equipment	$ 8,734,947.37	
General Reserve Fund	1,000,000.00	
Provision for Pension Fund	500,000.00	
		10,234,947.37

FUNDED DEBT

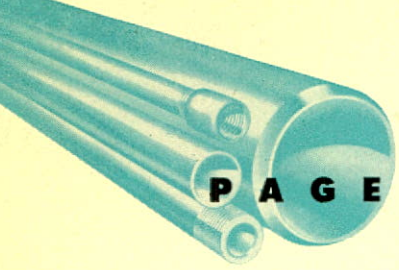
3⅛% Sinking Fund Debentures to mature April 1, 1965	$ 3,000,000.00	
3⅛% Sinking Fund Debentures (October 1950 Issue) to mature April 1, 1965	2,000,000.00	
		5,000,000.00

CURRENT

Accounts Payable	$ 2,248,905.81	
Wages and Miscellaneous Expenses Accrued	129,362.43	
Due to Subsidiary Company	69,806.53	
Dividend declared and payable January 2, 1952	383,407.20	
Provision for Income Taxes—less amounts paid	1,997,725.82	
		4,829,207.79
		$35,880,816.28

Signed on behalf of the Board:
A. MACFADYEN, Director
D. W. STEWART, JR., Director

Certified as per Auditors' Report attached.



PAGE-HERSEY TUBES, LIMITED

Profit and Loss Account

FOR THE YEAR ENDED DECEMBER 31, 1951

Profit from Operations	$8,122,126.96	
Income from Investments	72,601.26	$ 8,194,728.22
Depreciation of Plant	$1,200,000.00	
Interest on Funded Debt	156,250.01	1,356,250.01
NET PROFIT FOR THE YEAR		$ 6,838,478.21
Provision for Income Taxes		3,625,000.00
BALANCE CARRIED TO EARNED SURPLUS		$ 3,213,478.21

The following items have been deducted in determining profits noted above:

Directors' Fees	$ 10,500.00	
Executive Salaries and Solicitors' Fees	173,978.06	

Earned Surplus Account

FOR THE YEAR ENDED DECEMBER 31, 1951

Balance, January 1, 1951		$ 8,033,159.17
Balance carried from Profit and Loss Account for 1951		3,213,478.21
Profits on sales of Securities—formerly carried as a Reserve against Investments		400,351.76
		$11,646,989.14
DEDUCT:		
Dividends paid and declared	$1,533,628.80	
Debenture Discount and Expense	46,369.90	
Amount Appropriated for Pension Fund	500,000.00	2,079,998.70
Balance as at December 31, 1951		$ 9,566,990.44

Certified as per Auditors' Report attached.

Auditors' Report

Oscar Hudson & Company
Chartered Accountants

February 28, 1952

To the Shareholders,
Page-Hersey Tubes, Limited,
CROWLAND, Ontario.

Gentlemen:

As instructed, we have completed the audit of the accounts of Page-Hersey Tubes, Limited for the year ended 31 December, 1951.

Cash and Bank Vouchers were checked in detail, and the balances verified by count or certificate as at 31 December, 1951.

The Bonds and Securities owned by your Company were verified by count or certificate from the Depository as at 31 December, 1951. The income therefrom for the year under review was verified.

The profit from the Subsidiary Company has not been included in the attached statements.

We have examined the accounts of Page-Hersey Tubes, Limited for the year ended 31 December, 1951, and report that, subject to the above, in our opinion the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31 December, 1951, according to the best of our information and the explanations given to us, and as shown by the books of the Company. We have obtained all the information and explanations we have required.

Respectfully submitted,

Oscar Hudson & Company

CHARTERED ACCOUNTANTS.

PAGE-HERSEY TUBES, LIMITED

TORONTO

HALIFAX

MONTREAL

WINNIPEG

EDMONTON

VANCOUVER